

The Saturday Review

BANKING SUPPLEMENT

BANKING

IN the nineteenth century there used to be a banking panic with tolerable regularity every twenty years. There were panics or crisis in the City in 1825, 1845, 1865 or 8, and in 1889. Let us tap wood and thank God we haven't had a panic for over thirty years, not since the Baring Crisis in 1889, and that was not strictly a banking panic, as the Barings, like the Rothschilds, are merchants and foreign bankers, and not in the strict sense bankers, because, though they lend money on bills and securities, they do not receive deposits except for a few privileged customers. A banker, whether an individual or a company, is one who borrows money from one set of persons and lends it to another set of persons. Even in these knowing days it is astonishing how many people do not realise that in paying money into their bank they are lending money to the banker. Very many depositors nowadays demand interest on their deposits: but very many do not do so, partly from indolence and partly from ignorance. The banker's profit is the difference between the interest he pays for the money which he borrows and the interest he receives for the money which he lends. When his depositors let him have their money for nothing, *i.e.*, without asking for interest, his profit is so much the greater. In former times the bank was an individual or firm of individuals, who, starting with a comparatively small capital, received as a guardian or bailee the savings of other people, which he either invested (nearly always in Consols) or lent on mortgage or on promissory notes or bills, taking the dividends or interest as his profit. To-day the bank is a joint-stock company, the capital, which is still comparatively small, being furnished by the shareholders, and managed by the directors. The soundness of a bank depends, like that of every other business, on the relation between its assets and its liabilities. The bank's liabilities are the money which it has received from (a) its shareholders, and (b) from its depositors. For its share-capital and its deposits the bank is always liable, though of course, deposits are lent for longer or shorter periods, when they are not lent for nothing, *i.e.*, left on current account. The bank's assets are (a) the securities which it holds in the shape of promissory notes, bills of exchange, and pawned stocks and shares as cover for its loans; and (b) the investments which it has bought, stocks, shares, debentures, scrip, as a means of securing profit in the shape of interest.

On looking at the balance-sheet of a bank the first thing that strikes one is the great excess of assets over liabilities. In an ordinary trading concern this would be an obvious topic of congratulation. But when you consider that a bank's chief assets are the debts owed to it by borrowers, it is at once apparent that the words liabilities and assets acquire a new meaning in banking. The assets of most trading concerns are stock, the things which it makes and sells, and land, plant, machinery: in the case of financial trusts, its investments. But in the case of a bank its assets are debts, represented by bills of exchange, promissory notes, covered, or presumed to be covered, by pledged stocks and shares. Are those debts good debts? And is the cover or collateral security good in the sense of being liquid? As a bank is liable to be called on to repay its depositors money on demand, or short notice, it is clear that its assets must be

liquid, *i.e.*, readily realisable. That is why banks very seldom lend money on mortgage or bills of sale; the security is not liquid; and the loan is usually for a fixed and long period. With regard to that part of its liability which is represented by share capital, the bank directors are quite easy. The shareholders neither can nor wish to interfere: they can't claim their money and indeed they also are amongst the bank's debtors at the same time that they are creditors, for on most bank shares there is a substantial call. This uncalled capital, together with such a reserve fund as the directors may have accumulated, is supposed to be the main security for the depositors, in case they should ask for their money. It is not much of a security: for in case of a real financial crash, the shareholders would not pay their calls, and the directors would not be able to liquidate the reserve fund. As for the debtors, they would be in the same plight; they would not be able to meet their bills for the same reasons. Modern financial conditions are so complex and interdependent and diffused that a smash would involve creditors and debtors in a common ruin, which is the chief reason why an old-fashioned bank-panic cannot happen. But short of a general smash, many unpleasant things might happen to the banks and their customers, both creditors and debtors. The banks have for some time past been contracting credit, that is, refusing new loans and calling in old loans. That is just what in past times has produced panics. If the banks push the calling-in policy too far they may be met by a *non possumus* from their debtors, who may say, demand is falling, if not prices; we can't sell our stocks, and therefore can't pay off our loan. In the case of stock-brokers and financial trusts the same argument applies: if the markets should pass from stagnation to liquidation, the bank overdrafts could not be paid off. Small people are, of course, brought up short, and told they *must* pay off their loans; such is the way of the world. With the big borrowers all that the banks can really do is to *reduce* the amount of their overdrafts. Another safeguard against anything like a panic is the amalgamation of all the banks into three or four groups. It is physically and morally impossible that all the depositors in one of these huge amalgamations can want to draw out their money at the same time, or that all the debtors can fail to meet their engagements. Or if they did, they would checkmate one another. Borrowers may be pinched; and bank shareholders may get lower dividends, if their directors have made bad investments or imprudent advances. That we think is the worst that could happen.

This position of comparative safety in the financial world is largely due to the better education and increased intelligence of the community. The old runs on banks were mostly due to the fright which is the product of ignorance. Of course there were in those days of private banks in the hands of individuals, robberies of the depositors by managers or directors, which would be impossible nowadays. They must have been pretty frequent in the Mid-Victorian period from their appearance in the novels of the period. Bulstrode the banker is the villain of 'Middlemarch'; and we all remember Colonel Newcome and the Agra Bank. The failure of the City of Glasgow Bank was, however, no fiction, and ruined not only the directors, but the shareholders, whose liability was unlimited, which led to the change in the law. But nothing of this kind could happen now. In the first fortnight of

August, 1914, there might have been a rush of depositors to draw out their money, and a rush of stockholders to sell on the Stock Exchange. What happened? The banks and the Stock Exchange simply closed their doors, until such time as they had made all their arrangements, and people had time to reflect. It was the triumph of modern intelligence and organisation over fear and irrationality, the greatest that history has ever recorded. The praise must be divided between the Government, the bankers, and the public. It illustrates, in a manner that cannot be forgotten, the difference between 1820 and 1914, or between 1850 and 1914. In the last half century the community has made huge strides in financial science. In a highly educated society there is no reason why money should be used at all, except for the commerce of the street: everything could be settled by a transfer of credits, as is being done more and more every day.

The English banking system has been much changed by the Great War, like everything else. Before the war, there is no doubt that the English bankers were obnoxious to the charge brought against them by an audacious critic of using the money of British depositors to finance foreign bills of exchange, chiefly German and American. The critic said that British banks ought to lend British deposits to British traders, and not to Americans and Germans. And the critic was not easily answered. What happened was this. German and American sellers of goods to British importers drew bills on London, either on the buyer or on some accepting house like Kleinwort or Goschens. The bill at 30 or 60 or 90 days' sight would be discounted by (or sold to) some dealer or broker in bills, the money being lent by the banks. The answer of the bankers to the critic who said that they ought to lend their money to British traders was that bills of exchange were perfectly liquid securities, whereas a provincial trader's "paper" depended on his selling his goods. Besides, the financing of foreign bills made London the financial centre of the world, which was true. All this is changed by the ruin of the Central Empires and Russia. It will be long before Kleinworts and Goschens do their old business. London may lose its position as the financial capital of the world, though we don't think so, because its geographical situation midway between East and West is so powerful. But if it did, there can be no doubt that British industry will have more capital for its assistance than in pre-war days, when so much money was lent by the banks to those who handled foreign bills of lading.

The great object of bankers at all times is to preserve deposits, not to guard them, but to encourage their inflow. If deposits were to fall below a certain point, there would be no money with which to make advances either to employers of labour or the Stock Exchange, and the business of the country would be paralysed. A high bank-rate is the means by which the deposits are encouraged. The bank-rate is now 6 per cent., and there is talk of its going higher. This means that the bank will give you 5 per cent. for deposits and will charge 7 per cent. for loans to borrowers. When you get as good a rate of interest by leaving your money in the bank as you get by investing it in Government funds or other safe securities, and have no buying and selling brokerage to pay, deposits will accumulate. But when the rate of interest to borrowers goes beyond a certain point, there is danger, not to the banks, but to industry. Because employers can't afford to pay more than a certain rate for loans; and when that rate is passed, they close down, and unemployment follows. That is the danger to-day.

WILLIAMS DEACON'S BANK, LIMITED.

ALTHOUGH all are agreed that the country is in a bad way financially in these piping times of peace, and that bankruptcy apparently stares us in the face, yet, curiously enough, quite a number of banks are carrying on. In the case of Williams Deacon's Bank, Ltd., the Directors have even been able to report a substantial profit on their last year's business. This, after taking into

account all bad and doubtful debts, rebate of interest upon undue bills, salaries, Income Tax, and other charges, and adding a Balance from the previous year, amounted to no less than £429,326 18s. 10d. This scarcely looks like causing a panic in banking circles. Founded as long ago as 1771, and now embracing as many as six large banking houses, Williams Deacon's is still affectionately regarded in the Lancashire, Yorkshire, Cheshire, and Derbyshire districts under the name of "The Salford Bank," and there are no corporations in the country to-day with a better reputation. Last year (during which period an interim dividend of 12½% less Income Tax was declared in July, together with a final dividend of the same amount) new branches were opened at Alderley Edge, Blackpool (Church Street), Cheadle (Cheshire), Cheadle Hulme, Congleton, Doncaster, Horwich End, Levenshulme, Matlock Bath, Reddish Lane, Shaw, Trafford Park and Wilmslow, and numerous other districts, and the business is still spreading. It also took part with other Banks, in forming the British Overseas Bank, Ltd., and holds a proportionate part of its capital. At the end of 1919, the Balance in Profit and Loss Account amounted to £19,951 18s. 10d., whilst the statement of accounts dated 30th June, 1920, shows the following significant figures:—

| LIABILITIES. | | £ | s. | d. |
|--|------------|-------------|----|----|
| Capital Issued, £8,125,000, viz.: | | | | |
| 1,562,500 £5 "A" Shares, £1 paid ... | £1,562,500 | 0 | 0 | |
| 312,500 £1 "B" Shares ... | 312,500 | 0 | 0 | |
| Reserve Fund ... | | 1,875,000 | 0 | 0 |
| Amount due on Current, Deposit, and other Accounts ... | | 900,000 | 0 | 0 |
| Acceptances, Credits Opened, and Bills negotiated ... | | 37,839,813 | 7 | 1 |
| Rebate Account ... | | 1,802,791 | 11 | 11 |
| | | 33,587 | 17 | 10 |
| | | £42,451,192 | 16 | 10 |
| ASSETS. | | £ | s. | d. |
| Cash on hand and at the Bank of England ... | 6,392,958 | 11 | 4 | |
| Money at Call and at Notice ... | 1,553,314 | 2 | 2 | |
| British Government Securities ... | 4,998,527 | 16 | 5 | |
| Indian and Colonial Government Securities, English Railway and Municipal Stocks, and other Investments ... | 1,479,280 | 12 | 2 | |
| | | 6,477,868 | 8 | 7 |
| Bills of Exchange ... | | 2,354,559 | 9 | 11 |
| Advances on Current Accounts and Loans on Security ... | | 23,336,091 | 14 | 4 |
| Liability of Customers on Account of the Bank's Acceptances ... | | | | |
| Credits issued, and Bills negotiated ... | | 1,802,791 | 11 | 11 |
| Bank Premises ... | | 533,758 | 18 | 7 |
| | | £42,451,192 | 16 | 10 |

With its old-established reputation for solidity and vitality, its enormous capital, and its branches numbering something like a hundred and fifty, Williams Deacon's Bank rests upon a pedestal that it would appear can only grow stronger with age.

GLYN, MILLS, CURRIE AND COMPANY.

FOUNDED as long ago as 1753 the famous institution is now the largest of the few remaining single-office banks in the United Kingdom. Its original title was Vere, Glyn, Halifax and Co., but in 1851 it became known as Glyn, Mills and Co. It was not until 1864 that the amalgamation with the firm of Currie and Co. — an almost equally old-established concern, dating back to 1773 — gave it its present title. The Company was registered in 1885 with unlimited liability, and since then has successfully resisted all temptations to amalgamate with other houses. The total paid-up capital of a million and reserve fund of half a million have remained unchanged since registration. The methods of the Company have been criticised as old-fashioned, but it has flourished successfully for over a hundred and sixty years. In 1914 its deposits totalled £19,422,903, and although during the second year of the war there was a drop of something like two million this was more than made good in the following twelve months. By 1917 the increase recorded reached the sum of about five millions, and last year witnessed the unprecedented total of £30,559,059. Investments in 5 per cent. National War Bonds 1922 and 1923 equal the paid-up capital and reserve, viz., £1,500,000; British Government securities stand at £6,001,194, and Colonial Government securities figure at £43,732. Liabilities to the public at the end of last year totalled the respectable sum of £32,085,029, including £1,962,996 10s. 5d. on account of Acceptances, En-

STANDARD BANK

OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa; and to the Administration of Rhodesia.

| | | | |
|--------------------|---|---|--------------------|
| Authorised Capital | - | - | £10,000,000 |
| Subscribed Capital | - | - | £6,250,000 |
| Paid-up Capital | - | - | £1,562,500 |
| Reserve Fund | - | - | £2,200,000 |
| Uncalled Capital | - | - | £4,687,500 |
| | | | £8,450,000 |

BOARD OF DIRECTORS

WILLIAM REIERSON ARBUTHNOT, Esq.
Sir DAVID MILLER BARBOUR, K.C.S.I., K.C.M.G.
EDWARD CLIFTON BROWN, Esq.
ROBERT E. DICKINSON, Esq.

JAMES FAIRBAIRN FINLAY, Esq., C.S.I.
HORACE PEEL, Esq.
WILLIAM SMART, Esq. [G.C.I.E., G.B.E.
Rt. Hon. LORD SYDENHAM, G.C.S.I., G.C.M.G.,

Senior General Manager in South Africa—J. P. GIBSON.

Joint General Managers in South Africa—NOEL JENNINGS, JOHN JEFFREY.

London Manager—FRANCIS SHIPTON.

Secretary—HERBERT G. HOEY.

BANKERS :—THE BANK OF ENGLAND. LONDON COUNTY WESTMINSTER & PARR'S BANK, LTD.

Head Office : 10 Clements Lane, Lombard Street, London, E.C.4

West End Branch : 17 Northumberland Avenue, W.C.2
(adjoining the Royal Colonial Institute).

New York Agency : 68 Wall Street.

Rotterdam Branch : 15 Coolsingel.

Amsterdam Branch : 69 Rokin.

Over 380 Branches, Sub-Branches and Agencies in—

CAPE PROVINCE.

NATAL.

ORANGE FREE STATE.

TRANSVAAL.

TANGANYIKA TERRITORY.

RHODESIA.

NYASALAND.

BASUTOLAND.

KENIA COLONY

UGANDA.

ZANZIBAR.

PORTUGUESE EAST AFRICA.

S.W. AFRICA PROTECTORATE.

BELGIAN CONGO.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.

CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS RECEIVED** for fixed periods, at rates which may be ascertained on application.

SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.

BILLS NEGOTIATED and **COLLECTED**.

DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.

LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.

TRAVELLERS' LETTERS OF CREDIT issued, available in all parts of the world.

PURCHASE and **SALE** of Stocks and Shares effected.

DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED**.

STRONG ROOMS provided for the safe custody of Securities and valuables of Customers.

ASSAY DEPARTMENT.—Gold, etc., and all Mineral Ores assayed and realised.

EXECUTOR and **TRUSTEE** business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its Customers.

dorsements, etc. (covered by securities), not included in the balance sheet. This last, dated June 30th, 1920, shows the following items:—To current acco.nts, £19,499,129; deposit accounts, £9,137,971 11s. 8d.; reduction of the bank premises, £144,865 16s. 2d. Assets:—Cash in hand and at Bank of England £5,510,607 6s. 3d. Money at call and at short notice, £5,418,150; British and Colonial Government securities as set out above; bills discounted, loans, and other securities, £11,438,282 11s. 3d.; and Bank premises (freehold), £370,000.

NATIONAL BANK OF EGYPT.

THIS is the Egyptian State Bank, and has the peculiar right of issuing currency notes payable at sight to bearer. Established twenty-one years ago under Egyptian laws, these notes became legal tender soon after the commencement of the war, before which they were obligatorily secured mainly upon gold deposits. In 1916 the demand for currency was such, and the difficulty of shipping bullion from England so great, that British and Egyptian Treasury Bills were allowed to be issued as security for notes issued in excess of the bank's actual gold holding. This was found necessary in order to provide elasticity of currency for financing the cotton crop and meeting contingencies arising from the stationing of large bodies of troops in Egypt, Palestine, and the Hinterland. The issue is under the dual control of the Bank and the Egyptian Government Commissioners, and some idea of the amount placed in circulation from 1914 may be gathered from the following figures:—

| | | | |
|------|-----|-----|-------------|
| 1914 | ... | ... | £E7,465,000 |
| 1915 | ... | ... | 10,582,000 |
| 1916 | ... | ... | 21,200,000 |
| 1917 | ... | ... | 30,800,000 |
| 1918 | ... | ... | 46,000,000 |

The Bank has branches in Alexandria, Assiout, Assoun, Benha, Beni-Souef, Chebin-el-Kom, Demanhour, Fayoum, Kenah, Luxor, Mansourah, Mineh,

Mouski (Cairo), Port-Said, Rod-el-Farag (Cairo), Sohag, Tantah, and Zagazig, with its head office in Cairo. Agencies are also established at Khartoum, Port-Soudan, and Suakim, and sub-agencies at El-Obeid, and Wad Medani. For some reason the Administration still elects to print its reports and balance sheets in French, although that language is fast giving place to English in Egyptian commercial circles. Dividends paid during the first two years of the war were as low as 4 per cent., but in 1916 they rose to 6 per cent., the following year to 8 per cent., and since then to 10 per cent. per annum. Last year a net profit was declared of £1,030,160 14s. 4d. The balance sheet of 31st December, 1919, contains the following figures (we give the equivalent in English money):—Assets: State securities and securities guaranteed by the Egyptian Government, £16,559,304 12s. 9d.; other securities, £292,247 9s. 6d.; advances on merchandise, £7,460,862 10s. 11d.; advances on securities, £1,481,635 5s. 10d.; advances on other guarantees, £358,526 2s. 7d.; further advances, £550,096 9s. 11d.; Soudan Government, £1,079 3s. 8d.; cash in hand, £4,905,313 10s. 5d. Liabilities: Capital—300,000 fully-paid shares of £10 each, £300,000; Statutory reserve fund, £1,500,000; special reserve, £500,000; current, deposit, and other accounts, £19,275,932 4s. 8d.; Egyptian Government, £12,581,890 9s. 6d.; mixed tribunals, £2,814,330 3s.; bankers' accounts, £2,447,986 2s.; cheques and bills payable, £297,899 11s. 10d.; provision for payment of 10 per cent. dividend, £300,000; profit balance, £141,932 7s. 2d.

COMMERCIAL BANK OF LONDON, LIMITED.

AS its name implies, the Commercial Bank of London finds the chief field of its activities in the service of commercial enterprise, and in this branch of industry it has won for itself a sound reputation for fair dealing and financial integrity. It is an amalgamation of the British Commercial Bank (formerly Reuter's



GLYN, MILLS, CURRIE & Co.

Established 1753.

Registered with Unlimited Liability, 1885.

67, LOMBARD STREET, LONDON, E.C.3.

| | | | | | | | |
|-------------------------------------|-----|-----|-----|-----|-----|-----|------------|
| Capital | ... | ... | ... | ... | ... | ... | £1,000,000 |
| Reserve Fund | ... | ... | ... | ... | ... | ... | 500,000 |
| Current and Deposit Accounts | ... | ... | ... | ... | ... | ... | 28,637,101 |
| Cash in hand and at Bank of England | ... | ... | ... | ... | ... | ... | 5,510,607 |
| Money at Call and at Short Notice | ... | ... | ... | ... | ... | ... | 5,418,150 |
| Investments | ... | ... | ... | ... | ... | ... | 7,544,927 |
| Advances, &c. | ... | ... | ... | ... | ... | ... | 11,438,283 |

30 June, 1920.

MANAGING PARTNERS:

THE HON. A. H. MILLS.
LORD WOLVERTON.
LAURENCE CURRIE.
MAURICE G. C. GLYN.

LORD HILLINGDON.
GENERAL THE HON. SIR H. A.
LAWRENCE, K.C.B.

GENERAL MANAGER.

BRIG.-GENERAL A. MAXWELL, C.M.G., D.S.O.

SECRETARY.

ERIC GORE BROWNE, D.S.O.

Every Description of British and Overseas Banking and Exchange Business transacted. The Bank undertakes the Office of Executor and Trustee.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

38 Bishopsgate, London, E.C.2

(Incorporated by Royal Charter)

Capital - - - - £2,000,000
Reserve Fund - - £3,000,000

COURT OF DIRECTORS:

SIR MONTAGU CORNISH TURNER
(Chairman).

SIR DUNCAN CARMICHAEL,

THOMAS CUTHBERTSON, Esq.

SIR ALFRED DENT, K.C.M.G.

SIR WILLIAM HENRY NEVILLE
[GOSCHEN, K.B.E.]

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WILLIAM FOOT MITCHELL, Esq.

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[Esq.]

LEWIS ALEXANDER WALLACE, Esq.

CHIEF MANAGER: W. E. PRESTON.

MANAGERS: J. S. BRUCE and G. MILLER.

AGENCIES AND BRANCHES.

| | | | | |
|-----------|-----------|---------------|-----------|-------------------------|
| Amritsar. | Colombo. | Karachi. | New York. | Shanghai. |
| Bangkok. | Delhi. | Klang. | Peking. | Singapore. |
| Batavia. | Haiphong. | Kobe. | Penang. | Sourabaya. |
| Bombay. | Hankow. | Kuala Lumpur. | Puket. | Taiping (F.M.S.) |
| Calcutta. | Hongkong. | Madras. | Rangoon. | Tavoy (Lower Burma). |
| Canton. | Iloilo. | Manila. | Saigon. | Tientsin. |
| Cawnpore. | Ipoh. | Medan. | Seremban. | Yokohama. |
| Cebu. | | | | |

The Corporation grant drafts payable at the above Agencies and Branches, buy and collect bills of exchange, issue letters of credit, and transact general banking business connected with the East. Deposits of money are received on terms which may be ascertained on application, and on current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances, provided they do not fall below £200.

Bank) and the old Commercial Bank of London, originally known as the Anglo-Japanese Bank, and which had an authorised capital of a million, with an issued and paid-up capital of £500,000. A prospectus was issued last January in which 1,275,000 Ordinary shares of £1 each were offered for subscription at par, this being part of a total issue of £2,250,000 on an authorised capital of £5,000,000. No profit figures are yet available for the new Company this year, owing to its comparatively recent inauguration, but the old Commercial Bank of London, during the nine months to September 30th, 1919, made more than £400,000 net, subject to excess profits duty. There is a good deal of young blood on the present Board, and this goes towards the adoption of a progressive policy making for speedy development. An interim dividend of 5 per cent. is now payable on account of the current financial year.

BANCO NACIONAL ULTRAMARINO.

THE Banco Nacional Ultramarino was founded in 1864 with the object of developing Portuguese Colonial agriculture, trade and industry, and has done much to foster the riches of the Colonies by utilising and marketing their wealth of resources. Its rise has been steady and rapid, and to-day the solidity of its reputation is shown in the fact that its assets far exceed the figure determined by law as guarantee for deposits, fiduciary circulation and credits. The paid-up capital amounts to Esc. 24,000,000, which at par of exchange equals £5,328,000; and the reserve funds are in excess of this, being, in English currency, £5,527,800. It occupies the position of State Bank to the Portuguese Colonies, and has a complete international banking service in all its branches. These services were last year widely utilised by the Portuguese Government, and credits were opened by the Bank in their favour, representing in London about 46½ per cent. of the total of such credits opened in Great Britain. It should also be mentioned that the shares of the Banco Nacional Ultramarino were amongst the first of the foreign companies quoted in the English Exchange after the war. Notes in sterling of the bank are in circulation in East Africa, notes in rupees in India, and dollars in Macau, and in order to meet the requirements of the past year the head office had gold value for 280 3/10ths per cent. over and above the liabilities. Another prominent factor in the bank's progress is the system of land credit, an exclusive privilege of the Company.

The condensed balance sheet for the year ended 31st December, 1919, shows the following figures:—

| LIABILITIES. | | | |
|--|--------------------|--------------|--|
| | Esc. | £ | |
| Capital (Paid up) | 24,000,000 | 5,328,000 | |
| Reserves | 24,000,000 | 5,328,000 | |
| Deposit, Current and Other Accounts | 520,277,402 | 115,501,580 | |
| Agencies and Correspondents | 28,560,853 | 6,340,210 | |
| Bills Payable | 15,721,779 | 3,490,235 | |
| 4½ per cent. Bonds | 947,070 | 210,250 | |
| 6 per cent. Mortgage Bonds | 1,015,200 | 225,374 | |
| Notes in Circulation | 19,590,040 | 4,348,989 | |
| Securities deposited in guarantee of advances and/or for safe custody | 249,509,326 | 55,391,070 | |
| Pension Fund | 186,373 | 41,375 | |
| Sundry Accounts (as per contra) | 185,430,673 | 41,165,009 | |
| Profit and Loss | 5,418,291 | 1,202,861 | |
| Owing to the great variation in the exchange rates in the different countries, it has been deemed advisable, in order to give a true and correct position of the Bank, to reduce all liabilities and assets in the Balance Sheet of all branches abroad into Escudos at the exact rates of the day on 31st December, 1919. | | | |
| | Esc. 1,074,657,011 | £238,573,853 | |
| ASSETS. | | | |
| | Esc. | £ | |
| Cash in hand | 45,898,827 | 11,537,691 | |
| Cash at Banks | 6,072,753 | 1,972,165 | |
| Cash and Remittances in transit, etc. | 8,483,627 | 9,374,735 | |
| Bills Discounted | 42,228,537 | 36,083,604 | |
| Loans guaranteed by Bills, Merchandise, Stocks, etc. | 162,538,756 | 15,409,171 | |
| Agencies and Correspondents | 60,410,682 | 25,223,137 | |
| Bills Receivable | 113,617,735 | 40,121,313 | |
| Short Loans, Advances, etc. | 180,726,635 | 55,391,070 | |
| Securities (as per contra) | 249,509,326 | 1,680,374 | |
| Investments | 7,609,794 | 334,286 | |
| Sundry Accounts (as per contra) | 185,430,673 | 40,216 | |
| Bank Premises | 1,505,802 | 225,480 | |
| Furniture and Fittings | 208,180 | | |
| Mortgage Loans (as pr | 1,015,677 | | |
| | Esc. 1,074,657,011 | £238,573,853 | |

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.

THIS well-known Bank was established as long ago as 1853, by Royal Charter, and began business in the Mutiny year with branches at Bombay, Calcutta, and Shanghai. It was one of the few Indian banks which survived the financial crises of 1865 and 1870, and its early days saw the passing of many vicissitudes. Since 1879, however (on which date it found itself with its Reserve Fund dangerously near annihilation) the trend of its prosperity has flowed steadily upwards and to-day there is no banking institution which can lay claim to more activity in overseas commerce. The Reserve Fund has increased from £200,000 in 1884 to its present figure of £3,000,000, and its paid-up capital now stands at a round two millions. At the Sixty-sixth Ordinary General Meeting, held in April last, the Directors proposed to pay a Final Dividend at the rate of 14% per annum, together with a bonus of twenty-five shillings per share; making 20½% per annum for the whole year, free of Income Tax. They also declared a net profit of £615,830 6s. 10d. inclusive of £168,482 11s. 1d., brought forward from the previous year, and asked sanction to add a further £100,000 to the Reserve Fund. Transport difficulties are still considerably hampering our Eastern trade, but the bank is now so solidly established that it can afford to await the resumption of pre-war conditions in this respect with confidence and fortitude. The Balance Sheet to 31st December, 1919, is as follows:—

| LIABILITIES. | | | |
|--|-------------|----|----|
| | £ | s. | d. |
| To Capital, 100,000 Shares of £20 each, paid up | 2,000,000 | 0 | 0 |
| Reserve Fund | 2,000,000 | 0 | 0 |
| Notes in Circulation | 1,800,005 | 5 | 0 |
| Current and other Accounts, including Provision for Bad and Doubtful Debts and Contingencies | 32,440,522 | 7 | 10 |
| Fixed Deposits | 15,491,648 | 1 | 7 |
| Bills Payable— | | | |
| Drafts on demand and at short sight on Head Office and Branches | £6,327,479 | 19 | 9 |
| Drafts on London and Foreign Banks against Security, per Contra | 394,229 | 17 | 6 |
| Acceptances on Account of Customers | 6,681,700 | 17 | 3 |
| Loans Payable, against Security, per Contra | 1,679,020 | 0 | 9 |
| Due to Agents and Correspondents | 2,429,028 | 0 | 4 |
| Sundry Liabilities, including Rebates | 18,300 | 9 | 9 |
| Profit and Loss | 2,762,632 | 5 | 4 |
| Liability on Bills of Exchange re-discounted, 12s. 8d., of which £13,731,710 8s. has run off at 22nd March, 1920. | £15,073,542 | | |
| Outstanding Forward Exchange Contracts for Purchase and Sale of Bills and Telegraphic Transfers, &c., 12s. 4d. | £48,570,970 | | |
| | £68,741,695 | 14 | 8 |
| ASSETS. | | | |
| | £ | s. | d. |
| By Cash in hand and at Banks | 11,170,332 | 5 | 8 |
| By Bullion on Hand and in Transit | 3,437,387 | 17 | 9 |
| Government and other Securities | 4,911,329 | 19 | 1 |
| Security lodged against Note Issue and Government Deposits | 1,525,000 | 0 | 0 |
| Bills of Exchange, including Treasury Bills | 26,535,498 | 18 | 4 |
| Bills discounted and Loans | 17,501,394 | 2 | 8 |
| Liability of Customers for Acceptances, per Contra | 1,679,020 | 0 | 9 |
| Due by Agents and Correspondents | 213,710 | 11 | 11 |
| Sundry Assets, including Exchange adjustments | 1,172,523 | 12 | 1 |
| Bank Premises and Furniture at the Head Office and Branches | 534,589 | 6 | 5 |
| | £68,741,695 | 14 | 8 |
| PROFIT AND LOSS ACCOUNT. | | | |
| | £ | s. | d. |
| Dr. | | | |
| To Interim Dividend at 20th June, 1919, on £1,200,000 | 84,000 | 0 | 0 |
| Balance proposed to be dealt with as follows:— | | | |
| Dividend, at the rate of 14 per cent. per annum, for the half-year to date on £1,200,000 | £84,000 | 0 | 0 |
| Bonus of 25/- per share on 60,000 Old Shares | 75,000 | 0 | 0 |
| Reserve Fund | 100,000 | 0 | 0 |
| Officers' Superannuation Fund | 25,000 | 0 | 0 |
| Bank Premises | 75,000 | 0 | 0 |
| Carried forward to Profit and Loss New Account | 172,830 | 6 | 10 |
| | 531,830 | 6 | 10 |
| | £615,830 | 6 | 10 |
| Cr. | | | |
| | £ | s. | d. |
| By Balance at 31st December, 1918 | 492,482 | 11 | 1 |
| Less Dividend for half-year to 31st December, 1918 | £84,000 | 0 | 0 |
| s. | | | |
| Bonus of 25/- per share | 75,000 | 0 | 0 |
| Reserve Fund | 100,000 | 0 | 0 |
| Officers' Superannuation Fund | 25,000 | 0 | 0 |
| Bank Premises | 40,000 | 0 | 0 |
| | 324,000 | 0 | 0 |
| Gross Profits for the year, after providing for bad and doubtful debts, Excess Profits Duty, and Bonus to the Staff | £1,258,819 | 6 | 11 |
| Less:— | | | |
| Expenses of Management and General Charges at Head Office and Branches | 811,471 | 11 | 2 |
| | 447,347 | 15 | 9 |
| | £615,830 | 6 | 10 |

BANK OF NEW ZEALAND

BANKERS TO THE NEW ZEALAND GOVERNMENT

CAPITAL: Authorised, **£5,500,000.**

Subscribed, **£2,779,988.**

Paid-up:

| | |
|--|----------|
| Four per Cent (1934) Guaranteed Stock ... | £529,988 |
| Preference Shares, issued to N.Z. Government ... | 750,000 |
| Ordinary Shares, £6 13s. 4d. each. * £3 6s. 8d. paid up ... | 500,000 |
| * Final call of £3 6s. 8d. due April 1st. 1920 makes these shares fully-paid | |
| Ordinary Shares, £6 13s. 4d. each, fully-paid ... | 500,000 |

Reserve Fund and Undivided Profits, £2,496,224

Head Office: WELLINGTON, N.Z.

DIRECTORS:

HAROLD BEAUCHAMP, Esq., Chairman.
R. W. KANE, Esq. WM. REECE, Esq.
DAVID J. NATHAN, Esq. J. H. UPTON, Esq.
WM. WATSON, Esq.
General Manager: HENRY BUCKLETON.

London Office:

1 QUEEN VICTORIA STREET, E.C.4

LONDON BOARD:

FREDERIC LUBBOCK, Esq., Chairman.
Rt. Hon. LORD CARNOCK, G.C.B.
ALEXANDER MICHIE, Esq.
SIR JAMES MILLS, K.C.M.G.
Manager: ALEXANDER KAY.

BANKERS:

BANK OF ENGLAND.

LONDON JOINT CITY & MIDLAND BANK,
LIMITED.

BRANCHES AND AGENCIES AT OVER 200
POINTS IN NEW ZEALAND.

and at

MELBOURNE—VICTORIA. SYDNEY—NEW
SOUTH WALES. SUVA AND LEVUKA—FIJI.
APIA—SAMOA.

THE BANK OF NEW ZEALAND (LONDON) GRANTS DRAFTS on any of the above places. Makes Telegraphic Transfers; Opens Current Accounts for the convenience of its Colonial Constituents; Negotiates and Collects Bills payable in any part of Australasia, Fiji and Samoa. Undertakes all descriptions of Colonial Banking and Monetary Business, and affords every facility to persons in their transactions with the Colonies.

BANK OF NEW SOUTH WALES

ESTABLISHED 1817.

| | |
|---|---------------------------|
| Paid-up Capital - - - - | £4,765,700 |
| Reserve Fund - - - - | £3,275,000 |
| Reserve Liability of Proprietors - | £4,765,700 |
| | <u>£12,806,400</u> |

Aggregate Assets, 31st March, 1920, - - £75,544,242

LONDON DIRECTORS

Sir FREDERICK GREEN, K.B.E., Chairman.

H. L. M. TRITTON, Esq.

WALTER S. M. BURNS, Esq.

Acting Manager: H. MELDRUM.

Assistant Manager: J. S. CAMPBELL.

Secretary: D. GEDDIE.

Accountant: G. S. KETT.

The London Office issues drafts on demand on its Head Office and branches in Australia, New Zealand, Tasmania, Fiji, and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives deposits for fixed periods on terms which may be known on application, and conducts every description of Australasian Banking Business.

London Office: 29 Threedneedle Street, E.C. 2

BANK OF NEW ZEALAND.

BANKERS to the New Zealand Government and Incorporated by Act of the General Assembly in 1861, the Bank of New Zealand has an authorised capital of five and a half millions, and subscribed capital of £2,779,988, and paid-up capital of £2,627,441, and reserve fund and undivided Profits representing £2,646,520. The profit for the year ended 31st March last, after providing for expenses of management, etc., deducting interest on guaranteed stock, and allocating £50,000 os. od. in reduction of bank premises and furniture, amounted to £419,045 16s. 6d., to which sum has been added balance brought forward from the previous year of £146,224 5s. 9d., making a total of £565,270 2s. 3d.

During the year the bank has expanded its operations to the opening of new branches at Murchison and Sydenham, and making daily branches of its Agencies at Bluff, Clinton, Huntley, Matamata, Matura, Ohakune, Pongaroa, Takapau, and Warkworth. Agencies have also been installed at Kipara Flats; Little River, Ohaeawai, Patetonga, Urenui, Wailakaruru, and Waitoa.

BANK OF NEW SOUTH WALES.

FOUNDED in 1817, the Bank of New South Wales is one of the most influential as well as one of the oldest in Australia, and the list of its branches, agents, and correspondents throughout the civilised world, would probably fill the whole of this Supplement. It has a Paid-up Capital of £4,765,700, a Reserve Fund of £3,275,000, and a Reserve Liability of Proprietors of £4,765,700. That, in spite of its age and the prevailing financial depression, it is still able to pursue a successful progressive policy is made abundantly clear in its last half-yearly Report (the one hundred and thirty-ninth since 1851), wherein the Net Profits for that period are shown to reach the respectable sum of £304,218 19s. 7d. To this has been added the Undivided Balance from the previous half-year,

viz., £140,370 4s. 5d., making a total of £444,589 4s., out of which an Interim Dividend at the rate of 10% per annum for the quarter ended 31st December last, has been paid. The balance of £344,589 4s. was recommended by the Directors to be dealt with as follows:—To payment of a quarter's dividend to 31st March, 1920, at the rate of 10% per annum out of the half-year's profits, £119,142 10s.; Augmentation of the Reserve Fund £75,000, and the Balance to be carried forward. Details of the Balance Sheet:—

| LIABILITIES. | | £ | s. d. | £ | s. d. |
|---|----------------|--------------|-------|-------------|-------|
| Notes in Circulation | ... | 715,668 | 10 0 | 50,132,727 | 4 5 |
| Deposits, Accrued Interest and Rebate | ... | 49,417,008 | 14 5 | | |
| Bills Payable and other Liabilities (which include Reserves held for Doubtful Debts and Amounts at Credit of Investments Fluctuation Account, and amounts due to other Banks) | ... | | | 12,346,925 | 4 11 |
| Paid-up Capital bearing 6 Months' Dividend | £4,000,000 0 0 | | | | |
| 3 " " | 765,700 0 0 | | | | |
| Reserve Fund | ... | 4,765,700 | 0 0 | | |
| Profit and Loss | ... | 3,200,000 | 0 0 | | |
| Less Interim Dividend to 31st Dec., 1919 | ... | £444,589 4 0 | | | |
| | 100,000 0 0 | | | | |
| | | 344,589 | 4 0 | 8,310,289 | 4 0 |
| | | | | £20,789,941 | 13 4 |
| Contingent Liabilities—Outstanding Credits as per Contra | ... | | | 4,754,300 | 13 5 |
| | | | | £75,544,242 | 6 9 |

| ASSETS. | | £ | s. d. | £ | s. d. |
|--|-----|-----------|-------|-------------|-------|
| Coin, Bullion and Cash Balances | ... | 9,493,576 | 0 11 | | |
| Australian Commonwealth Notes | ... | 7,258,612 | 0 0 | | |
| Fiji Government Notes | ... | 29,864 | 10 0 | | |
| Notes of other Banks | ... | 394,254 | 10 0 | | |
| Money at short call in London | ... | 2,790,000 | 0 0 | | |
| Short-dated British Treasury Bills | ... | 3,900,000 | 0 0 | | |
| Investments—British & Colonial Government Securities | ... | 8,479,080 | 7 10 | | |
| Municipal and other Securities | ... | 754,634 | 0 0 | | |
| Due by other Banks | ... | 431,402 | 6 7 | | |
| Bills Receivable in London and Remittances in transit | ... | 4,456,122 | 5 6 | 37,988,446 | 0 10 |
| Advances under Government Wheat Scheme | ... | | | 322,308 | 2 8 |
| War Loan Advances (Australia and New Zealand) | ... | | | 1,656,746 | 0 0 |
| Bills Discounted and Loans and Advances to Customers | ... | | | 30,022,441 | 9 10 |
| Bank Premises | ... | | | 800,000 | 0 0 |
| | | | | £70,789,941 | 13 4 |
| Liabilities of Customers and others on Letters of Credit as per Contra | ... | | | 4,754,300 | 13 5 |
| | | | | £75,544,242 | 6 9 |

WILLIAMS DEACON'S BANK

LIMITED.

(Members of the London Bankers' Clearing House).

Nominal Capital - - - - - **£10,000,000**

ISSUED 1,562,500 "A" Shares £5 each, £1 paid.
ISSUED 312,500 "B" Shares £1 each fully paid.

Paid-up Capital £1,875,000 **Reserve Fund £900,000**

London Office: 20 BIRCHIN LANE, E.C.3.

Manchester Office: MOSLEY STREET.

West End Office: 2 COCKSPUR ST., CHARING CROSS, LONDON, S.W.1.

And 144 other Offices, principally in the manufacturing districts of Lancashire, Yorkshire, Cheshire, Derbyshire, and Staffordshire.

SPECIAL WORKING ARRANGEMENTS FOR FOREIGN EXCHANGE & SHIPPING ADVANCES

WITH

France, Spain, Portugal, New York, and all parts of South America.

Agency arrangements with our Colonies and all parts of the World.

FOREIGN EXCHANGE, SHIPPING AND AGENCY DEPT.
AGENCY OF THE ANGLO-SOUTH AMERICAN BANK LTD.
AGENCY OF THE LONDON AND BRAZILIAN BANK LTD.

**YORK STREET,
MANCHESTER**

AGENTS FOR THE BRITISH OVERSEAS BANK. LTD.

BANK OF BRITISH WEST AFRICA LIMITED

ESTABLISHED 1894.

| | | |
|-----------------------------------|---|------------|
| Authorised and Subscribed Capital | - | £2,000,000 |
| Called up Capital | - | 800,000 |
| Reserve | - | 378,750 |

CHAIRMAN—THE RIGHT HON. EARL OF SELBORNE, K.G., G.C.M.G., P.C.

HEAD OFFICE—17 & 18 Leadenhall Street, London, E.C.3.

CHIEF MANAGER—LESLIE COUPER, C.M.G.

LIVERPOOL OFFICE—25 Water Street.

MANCHESTER OFFICE—106-108 Portland Street.

BRADFORD OFFICE—17 Ivegate.

NEW YORK OFFICE—100 Beaver Street.

Branches—West Africa, Canary Islands. Morocco, Egypt.

NATIONAL BANK OF EGYPT.

Established under Egyptian Law, June 1898, with the exclusive right to issue Notes payable at sight to bearer.

| | | | | | | | | | | |
|--------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
| CAPITAL | ... | ... | ... | ... | ... | ... | ... | ... | ... | £3,000,000 |
| | | | | | | | | | | (in 300,000 Shares of £10 each, fully paid). |
| RESERVE FUND | ... | ... | ... | ... | ... | ... | ... | ... | ... | £2,000,000 |

GOVERNOR—SIR FREDERICK T. ROWLATT, K.B.E.

HEAD OFFICE—Cairo.

LONDON COMMITTEE.

E. W. P. FOSTER, C.M.G., SIR CARL MEYER, BART., HON. ALGERNON MILLS,
THE HON. SIDNEY PEEL, D.S.O., M.P.

London Agency—6 and 7, King William Street, London, E.C.4

MANAGER—J. T. BEATY-POWNALL.

ASSIST. MANAGER—A. F. GILLBEE.

Accounts opened with traders and private persons. Circular Notes issued.

EVERY KIND OF BANKING BUSINESS TRANSACTED.

Offices in Egypt at Cairo (Head Office), Alexandria, Assiout, Assuan, Benha, Beni-Suef, Chibin-el-Kom, Damanhur, Fayoum, Kench, Luxor, Mansourah, Minieh, Mousky (Cairo), Port Said, Rod-el-Farag (Cairo), Sohag, Tantah, and Zagazig; and in the Soudan at Khartoum, Port Soudan, Suakim, and the Sub-Agencies at El-Obeid, Tokar, and Wad Medani.

During the half-year new Branches of the Bank had been opened at Ashford, Alstonville and Warris Creek and Wingham (in New South Wales), and at Boont, Horsham, and Mildura (in Victoria); at Mackay and Richmond (in Queensland); and elsewhere. The total of its Branches and Agencies now numbers 351, and there is every reason to anticipate that so go-ahead a concern will rapidly increase the tale of its activities.

THE RUSSIO-ASIATIC BANK.

IT is extremely difficult to obtain any recent information concerning the above Bank, as, since the Bolsheviks took control of Petrograd in 1917, the head office in that city has been entirely cut off from its London branch. Enquiries at Old Broad Street elicited the fact that this department is still bravely carrying on, and transacting a large amount of local business, but no statement of accounts has been issued since June, 1917, when the Sixth General Meeting was held in the Russian capital. At that period the Authorised Capital was 65,000,000 Roubles, of which 55,000,000 Roubles was issued and fully paid. Of this 3,500,000 Kuping Taels, or 6,385,442 Roubles, was contributed by the Chinese Government, and the Reserve Funds amounted to 30,157,172 Roubles. The net profit for 1916, after making allowances for all bad debts and placing Rbbs. 302,932.65 to Bank Premises and Installation Accounts, reached the sum of Rbbs. 17,347,515.61 and the Board declared a Dividend on the year of 16%. At that time the total of the Current and Deposit Accounts had risen from Rbbs. 457,128,127.62 in 1915 to Rbbs. 842,900,602.98, and it was in contemplation to issue a further Rbbs. 10,000,000. These figures, however, take us only to the end of 1916, and merely serve to show that the Bank, in those days, was in a condition of prosperity with promise of a widening sphere of influence. Since then the dark cloud of Bol-

shevism has enveloped the unhappy land of the Czars in impenetrable gloom, and the Soviet Government has allowed no news to filter through as to what is happening in Petrograd banking circles. That is the situation at present, and the fluctuating state of the Russian exchange still further complicates the bewildering confusion of affairs. One can only "wait and see"; meanwhile the London Branch is still keeping its end up in quiet confidence of a happy issue.

STANDARD BANK OF SOUTH AFRICA, LIMITED.

THIS, the largest and most progressive of the South African banks, was established in 1862. It has an authorised capital of ten millions, a subscribed capital of £6,250,000, and paid-up capital of £1,562,500, and a reserve fund of £2,200,000. The Company officiates as Bankers to the Government of the Union of South Africa in the Cape Province, to the Imperial Government of South Africa; and to the Administration of Rhodesia; and its shareholders number upwards of 6,800. The Directors' Report submitted to the 107th Ordinary Meeting of Proprietors on April 28th last states that the balance of profits for the year ended 31st December, 1919, amounted to £833,258 10s. 1d., including the undivided balance of £199,183 17s. 6d. brought forward from the previous year. Out of this an interim dividend at the rate of 14 per cent. per annum for the half-year ended 30th June, 1919, was paid on the 24th October last, amounting to £109,375. From the net result has been appropriated £75,000 to write down Investments, to cover depreciation in value at 31st December, 1919; to Bank Premises Account, £50,000; to Exchange Reserve Account as provision towards meeting the loss in shipping gold to South Africa, £200,000. This leaves available the sum of £398,883 10s. 1d., which is recommended to be dis-

THE COMMERCIAL BANK OF LONDON LIMITED.

| | | |
|-----------------------------------|------|-------------------|
| AUTHORISED CAPITAL | | £5,000,000 |
| ISSUED AND PAID-UP CAPITAL | | £2,250,000 |

CURRENT ACCOUNTS opened and every description of Banking business transacted.
Bills discounted and advances made to customers on approved security.

SPECIAL FACILITIES GRANTED TO COMMERCIAL AND INDUSTRIAL UNDERTAKINGS.

The purchase and sale of securities undertaken, safe custody of securities, also the
receipt of dividends.

COUPONS AND DRAWN BONDS NEGOTIATED.

DEPOSITS received at call, or for fixed periods, at rates which may be ascertained on application.

ARTHUR H. KING, }
J. J. SPEAR, } *Joint General Managers.*

Austin Friars, London, E.C.2 (*Removing to Bank's New Premises in Gracechurch Street*).

24 Branches in South America.

BRANCHES

ARGENTINA
Buenos Aires
Rosario
Mendoza
San Rafael
Bahia Blanca
Comodoro Rivadavia
Puerto Desado
San Julian
Santa Cruz
Rio Gallegos
Trelew

URUGUAY
Montevideo

PERU
Lima

MEXICO
Mexico City

In preparing to extend your business abroad your financial representation should be carefully considered. Unfamiliarity with conditions in new markets has often led to costly experiments.

By means of twenty-four branches in the principal cities of South America, eight in France, Spain and U.S.A.,

AND THE AFFILIATION OF THE

BRITISH BANK OF SOUTH AMERICA, LTD.,

AND THE

COMMERCIAL BANK OF SPANISH AMERICA, LTD.,

we are in a position to assist in solving your export problems.

BRANCHES

CHILE

Iquique
Antofagasta
Copiapo
Coquimbo
Valparaiso
Chillan
Talcahuano
Concepcion
Punta Arenas
Santiago

U.S.A.

New York

SPAIN

Barcelona
Bilbao
Madrid
Seville
Valencia
Vigo

FRANCE

Paris

THE

ANGLO-SOUTH AMERICAN BANK Ltd.

CAPITAL and RESERVES, over £12,500,000

Head Office: Old Broad Street, London, E.C. 2

Bradford Office: 69 Market Street.

BANCO DE BILBAO.

ESTABLISHED 1857.

HEAD OFFICE - - - BILBAO.

BRANCHES—

MADRID, VITORIA, PARIS (27 Rue Vivienne).
(Place de la Bourse).

LONDON: 5 BISHOPSGATE, E.C.

| | | | |
|--------------------|-----|-----|---------------------|
| AUTHORISED CAPITAL | ... | ... | Pesetas 100,000,000 |
| PAID UP CAPITAL | ... | ... | " 51,000,000 |
| RESERVE FUND | ... | ... | " 54,000,000 |

The only Spanish Bank operating in England.

The London Branch has been established with a view to the development of the Anglo-Spanish Commerce.

Current Accounts opened and interest at the rate of Five per Cent. per annum allowed on daily balance.

Accounts in Francs, Pesetas and other currencies, bearing interest, also opened.

Foreign Exchange, Stock Exchange, and Banking Business of every description carried out.

FULL TERMS ON APPLICATION.

Telegraphic Address: BANCBAO, LED, LONDON.

Telephone Nos.: AVENUE 7392 & 2714

posed of as follows:—To Officers' Pension Fund, £40,000; to Dividend of 7s. per share on 312,500 shares (being at the rate of 14 per cent. per annum) subject to income tax, making a total distribution for the year at that rate, £109,375, and to bonus of 2s. 6d. per share (subject to income tax), £39,062 10s.; the balance to be carried forward to next account. The balance sheet is as follows:—

| LIABILITIES. | | | | | | | |
|--|------------|----|----|---------|----|----|--|
| | £ | s. | d. | £ | s. | d. | |
| Authorized Capital | 10,000,000 | 0 | 0 | | | | |
| Capital Subscribed— | | | | | | | |
| 312,500 Shares of £40 each | 6,250,000 | 0 | 0 | | | | |
| Called up £5 per Share | 1,562,500 | 0 | 0 | | | | |
| Reserve Fund | 2,200,000 | 0 | 0 | | | | |
| Notes in Circulation | 3,872,879 | 0 | 0 | | | | |
| Deposit, Current, and other Accounts, including provision for Contingencies | 52,624,150 | 16 | 9 | | | | |
| Drafts outstanding and Acceptances under Credits | 2,248,250 | 17 | 1 | | | | |
| Customers' Bills for Collection, per contra | 7,248,947 | 4 | 4 | | | | |
| Profit and Loss— | | | | | | | |
| Dividend and Bonus for the half-year ended 31st December, 1919, to be paid | 148,437 | 10 | 0 | | | | |
| Officers' Pension Fund | 40,000 | 0 | 0 | | | | |
| Balance carried forward | 210,446 | 0 | 1 | | | | |
| | | | | 398,883 | 10 | 1 | |

* These Investments, including the War Loan, have been valued at, or under, market prices as at 31st December, 1919.

| ASSETS. | | | | | | | |
|--|------------|----|----|-------------|----|----|--|
| | £ | s. | d. | £ | s. | d. | |
| Cash in hand and with Bankers | 6,611,279 | 18 | 4 | | | | |
| Cash at call, and short notice | 3,485,823 | 10 | 8 | | | | |
| Remittances in transit | 10,097,103 | 9 | 0 | | | | |
| Native Gold on hand | 1,808,015 | 17 | 8 | | | | |
| * Investments in War Loan, Exchange Bonds, National War Bonds, Colonial Government, Municipal, and other Securities (including deposits of Stock with the Union Government) | 4,683,189 | 16 | 8 | | | | |
| Bills of Exchange purchased and current at this date | 11,541,510 | 11 | 3 | | | | |
| Bills Discounted, and Advances to Customers (including Stock Exchange Loans under Treasury Minute of 31st October, 1914) | 34,085,939 | 14 | 9 | | | | |
| Customers' Bills for Collection, per contra | 7,248,947 | 4 | 4 | | | | |
| Suspense Items pending returns from Hamburg Agency | 69,050 | 11 | 0 | | | | |
| Bank Property and Premises (including Furniture and Fittings) at cost, less amounts written off | 439,716 | 10 | 7 | | | | |
| Stamps, Stationery and Open Policies | 36,828 | 12 | 2 | | | | |
| | | | | £70,155,611 | 8 | 3 | |

The branches and agencies of the Bank in Africa number nearly 400, whilst it has agents and correspondents throughout Europe, America, Canada, Australasia, India, China, Japan, and the East generally. The tale of its numerous activities makes interesting

reading, and the limit of its expansion has not yet been reached, as the Board holds pronounced progressive views, and is not likely to allow its course of operations to be checked.

BANK OF BRITISH WEST AFRICA.

NOT long ago the name of West Africa conjured up to the masses a land of savages and cannibals. That there should be a bank established there was incomprehensible. But these are not the days of Marryat, or even Cutcliffe Hyne, and financial interests have made possible the Bank of British West Africa, with a head office in London, and branches in Liverpool and Manchester—the first Colonial Bank to plant its foot in these important commercial centres. But the whole tale of its activities goes further afield than this, for we find offices in New York, in the Gold Coast and Ashanti, where there are twelve distinct branches, Nigeria, where they number fifteen, two in Sierra Leone, and numerous others in the Canary Islands, Gambia, Togoland, Liberia, Fernando Po, and the French Ivory Coast. In addition there are now no less than seven branches in Morocco, that last stronghold of Islamism, where the civilization of the North beat aimlessly for centuries against the impenetrable walls of barbarism, and an office has recently been established in Egypt, at Alexandria. Its agencies have been established at Abonnema, Blama, Bonny, Bo, Bukuru, Cape Palmas, Daker, Eguanga, Grand Bassa, Half Assinia, Hamburg, Kenema, Loanda, Madeira, Maidugari, Matadi, Obuassi, Pendembu, Preslea, River Cess, Segbwema, Sinoe, and Teneriffe, many of which names suggest wonderful Kiplingesque stories, but are quite meaningless to the stolid world of finance. The meanest intelligence, however, can discern from this array of places that the bank is vastly extending its field of activities, and as it was only established in 1894, to take on the business carried on at Lagos by the African Banking Corporation, it will easily be gathered that the management is one of those bodies which sees far ahead. In 1912 it absorbed the Bank of Nigeria and this added

THE RUSSO-ASIATIC BANK

Incorporated by Russian Government Decree.

| | | | |
|--|---|---|-------------------------|
| CAPITAL (Authorised) | - | - | Rbls. 65,000,000 |
| CAPITAL (Subscribed) | - | - | Rbls. 55,000,000 |
| CAPITAL (Subscribed by the Chinese Government) | | | Kouping Taels 3,500,000 |
| RESERVE FUNDS | - | - | Rbls. 30,157,172 |

Head Office at Petrograd.

Branches at all the principal Towns in Russia, Manchuria, Siberia. Central Asia, and China; also at Paris, Bombay, Hong Kong, Yokohama and Kobe. The number and geographical position of the Bank's branches, etc., place it in a unique position for financing British trade with all parts of the World. Interest (paid quarterly) allowed on Fixed Deposit and on Currency Accounts at Rates to be learnt on application. Banking and Foreign Exchange Business transacted of every description.

CHANTREY INCHBALD,
London Manager.

64 OLD BROAD STREET, LONDON, E.C.2.

**CAPITAL :**

| | | | | |
|-------------------|---|---|---|-------------------|
| AUTHORISED | - | - | - | £1,000,000 |
| SUBSCRIBED | - | - | - | £589,396 |
| PAID-UP | - | - | - | £294,698 |

Chairman :

The Right Hon. THE EARL OF CLARENDON, D.L.

Deputy Chairman :

W. A. PACKER.

Managing Director :

PERCIVAL J. ALEXANDER.

Directors :

SIR GEORGE J. CARTER, K.B.E.
 SIR FRANK M. CRISP, BART.
 SIR GEORGE A. E. HUSSEY.
 SIR ERNEST WILLIAM MOIR, BART.,
 M.I.C.E.
 BRIG.-GEN. G. H. NICHOLSON, C.B.,
 C.M.G.
 SIR JULIAN W. ORDE
 LIEUT.-GEN. SIR ARTHUR T. SLOGGETT,
 K.C.B., K.C.M.G., K.C.V.O.
 SIR JOHNSTONE WALLACE, K.B.E.
 ROBERT WILSON, J.P.

Accident Manager :

G. A. FREETH.

Agency Manager :

ALFRED H. PEARSON.

Life Manager,

A. B. S. WILSON, A.I.A.

Chief Engineer :

P. O. BONNIWELL, M.I.Mech.E., M.I.M.E.

Secretary :

ROBERT GRAY.

General Manager and Fire Underwriter :

ASHLEY E. CLAYTON, F.C.I.I.

**Head Office: ENGLISH HOUSE,
 58, GRESHAM STREET, LONDON, E.C.2.**

Telephone :

BANK 388 AND CITY 489.

Telegraphic Address :

"ENGLINSURU, CENT, LONDON."

Marine Underwriter—T. J. MERCER.**Underwriting Room—****23, BIRCHIN LANE, LONDON, E.C.2.****Telephone :** AVENUE 3744.**Telegrams :** "THOJAMERCE, STOCK, LONDON."**ANY SOUND INSURANCE PROPOSITION CONSIDERED.**

to the already wide scope of its interests. The authorised capital is two millions, the subscribed capital two millions, paid-up capital £800,000, and reserve £400,000. Its Chairman is the Right Hon. the Earl of Selbourne, K.G., G.C.M.G. A resolution was proposed at the last Ordinary General Meeting to double the Authorised Capital of the bank, so that it will be seen that further expansion of its operations is in contemplation. We append the Balance Sheet, dated 31st March, 1920.

| LIABILITIES. | | £ | s. | d. |
|---|-----|-------------|----|----|
| Capital:— | | | | |
| 200,000 Shares of £10 each | ... | £2,000,000 | 0 | 0 |
| all of which have been issued and £4 per share has been paid up | ... | | | |
| Reserve | ... | 800,000 | 0 | 0 |
| Current Accounts and Deposits | ... | 11,810,340 | 0 | 5 |
| Drafts Issued | ... | 788,827 | 11 | 4 |
| Bills for Collection | ... | 1,893,524 | 0 | 5 |
| Rebate on Bills | ... | 18,269 | 0 | 6 |
| Liability on Acceptances for Customers | ... | 711,583 | 17 | 9 |
| Final Dividend, Payable 22nd July, 1920 | ... | 48,000 | 0 | 0 |
| Balance of Profit Carried Forward | ... | 30,377 | 4 | 11 |
| | | £16,500,921 | 15 | 4 |
| Liability on Bills rediscounted, £2,025,158 2s. 10d., all of which have run off. | | | | |
| Outstanding Forward Exchange Contracts for purchase and sale of Foreign Exchange £2,041,762 9s. 5d. of which £1,870,039 2s. 5d. have run off. | | | | |
| ASSETS. | | £ | s. | d. |
| Cash in Hand, at Bankers, at Branches and at Agencies | ... | £2,754,267 | 4 | 10 |
| Cash in Transit | ... | 197,066 | 16 | 2 |
| Investments— | | 2,951,334 | 1 | 0 |
| Government Securities | ... | 703,628 | 11 | 3 |
| Other Securities | ... | 37,923 | 19 | 6 |
| West Africa Buildings Co., Ltd. | ... | 50,000 | 0 | 0 |
| Bills of Exchange— | | 791,552 | 10 | 9 |
| Treasury Bills | ... | 400,000 | 0 | 0 |
| Other Bills | ... | 4,540,678 | 0 | 5 |
| Loans, Advances and Current Accounts | ... | 4,940,678 | 0 | 5 |
| Bills for Collection Contra | ... | 5,003,206 | 3 | 5 |
| Liability of Customers for Acceptances | ... | 1,893,524 | 0 | 5 |
| Premises and Furniture | ... | 711,583 | 17 | 9 |
| | | 209,043 | 1 | 7 |
| | | £16,500,921 | 15 | 4 |

ANGLO-SOUTH AMERICAN BANK, LIMITED.

LIKE many another now flourishing concern, the Anglo South-American Bank, Limited came from small beginnings. The Company was registered in 1888 as the Bank of Tarapaca and London, originally with a view to serving the interests of British firms interested in the Tarapaca nitrate deposits. This business, however, being purely local, soon proved insufficient to satisfy the ambition of an enterprising management, and in 1900 we find an amalgamation effected with the Anglo-Argentine Bank, the new title being the Bank of Tarapaca and Argentina. Still aiming upwards, the year 1907 witnessed the adoption of the present title, and the rapid inauguration of many branches throughout Argentina, Chile, and Montevideo. The absorption five years later of the London Bank of Mexico and South America was only another stepping-stone in a consistently progressive career, which found its culminating point in the purchase, in 1917, of control of the Commercial Bank of Spanish America. By these acquisitions the Anglo-South American Bank has planted itself firmly through all the South American Republics, operating in Brazil in conjunction with the London and Brazilian Bank. With a head office in London and branches in many of the chief Spanish cities, and agencies in New York and San Francisco, one would have imagined that the tale of its activities was nearing the climax; but not so. In 1918, together with the London and Brazilian Bank, an agency was established at Williams Deacon's Bank in Manchester, thus bringing the Lancashire business men into direct touch with the South American markets; an astute business move which is reaping its just reward.

The Directors' Report for the year ended 30th June, 1919, shows a net profit of £520,082 10s. 2d., which, together with £188,887 7s. 2d. brought forward, gives a total of £708,969 17s. 4d. The then available balance of £606,369 6s. 10d. was recommended to be applied as follows:—

| | |
|---------------|--|
| £141,750 0 0 | to the payment of a Final Dividend of 9s. per share, less Income Tax, making a total distribution for the year of 15 per cent. |
| £150,000 0 0 | added to the Reserve Fund, making the total amount thereof £1,750,000. |
| £23,000 0 0 | added to the Staff Pension and Guarantee Fund, |
| £50,000 0 0 | in payment of a bonus to the Staff, and the balance of |
| £241,619 6 10 | carried forward. |

It was also sought, in order to provide for possible future developments, to increase the capital from £5,000,000 to £10,000,000, but the extent of the new issue proposed to be made at the time was 150,000 shares, which, if effected, would raise the Subscribed Capital to £6,000,000, of which half would be paid up. Later, in March, the subscribed total was further increased to £8,750,000 in connection with the purchase of the British Bank of South America, the offer to the shareholders of the latter concern being 2½ £10 shares, £5 paid, or £30 cash, for every £20 share, £10 paid, of the British Bank.

As the audited accounts of the Anglo-South American Bank are not issued at the time of going to press we cannot comment upon the latest developments of the Company; but the publication of the Report will be looked forward to with interest.

BANCO DE BILBAO.

WITH its head office at Bilbao, and branches in Madrid, Vittoria, and Paris, the Banco de Bilbao has the distinction of being the only representative of the Spanish banking industry in London, having its office at 5, Bishopsgate. Its paid-up capital is 30,000,000 pesetas, and it has a reserve fund of the same amount. That the opening up of the London Branch will have considerable influence upon the expansion of commerce between the two countries is already obvious. It will be necessary, however, for the London management to have its Reports and other printed matter published in English, as, although a large number of London business men have taken up the study of Spanish since the war, the great majority of those likely to be interested in its proceedings are lamentably ignorant of that language. The capital of the Banco de Bilbao is in fully paid shares of 500 pesetas, and a dividend of 10% was announced at the half-yearly meeting held last February for the six months ended 31st December, 1919. From the figures shown in the accompanying Balance Sheet, it will be seen that the Company has not stood still, despite limited facilities for transport and rapid communication.

| LIABILITIES. | | Pesetas. |
|--|-----|-------------|
| Capital | ... | 30,000,000 |
| Reserves | ... | 30,000,000 |
| Provision Fund | ... | 3,000,000 |
| Current Accounts and Deposits | ... | 106,539,710 |
| Deposits in Savings Bank Department | ... | 51,676,234 |
| Bankers (creditors) | ... | 163,113,586 |
| Sundry Creditors | ... | 86,838,112 |
| Bills Payable | ... | 4,578,191 |
| Dividends, Coupons, and Drawn Bonds Payable | ... | 325,253 |
| Profit and Loss Account (carried forward) | ... | 5,958,690 |
| | | 482,029,780 |
| ASSETS. | | Pesetas. |
| Cash in hand and at Banks | ... | 21,258,060 |
| Portfolio—Bills, 83,497,784 pesetas; securities, 162,294,389 pesetas | ... | 245,792,173 |
| Loans against Securities | ... | 8,428,948 |
| Credits in Current Accounts | ... | 68,779,581 |
| Bankers (Debtors) | ... | 73,773,644 |
| Sundry Debtors | ... | 59,543,236 |
| Bank Premises and other Assets (Estate and Movable Goods) | ... | 4,454,125 |
| | | 482,029,780 |

INSURANCE

THE ENGLISH INSURANCE COMPANY.

IT requires a high measure of courage to found a new company which is really independent, and sustained activity and perseverance to make it a success. This country is to such a great extent the home of insurance that it is not surprising that it possesses many of the soundest insurance institutions in the world. With few exceptions they are members of the tariff, and though that leaves some slight scope for freedom of action, they are, in fact, much restricted in regard to rates and conditions. In many ways, one may confess, that is a boon and blessing, for unrestricted competition would only breed a class of degenerate company which would have its day and cease to be. There have been instances of such before to-day.

With a full knowledge of all these facts, the English Insurance Company was launched towards the end of last year, and from its inception it was recognised to mark a new era in non-tariff competition. In the first place the *personnel* of the Board places the Company beyond the elementary criticisms to which such companies have often been subjected. The Board is one

PRUDENTIAL

ASSURANCE COMPANY, LIMITED.

HOLBORN BARS, LONDON, E.C. 1.



*All Classes of Insurance Business transacted
(Marine excepted).*



LIFE.

INDEMNITY.

EMPLOYERS' LIABILITY.

ACCIDENT. FIDELITY. MOTOR CAR. GUARANTEE. BURGLARY.

WORKMEN'S COMPENSATION.

GENERAL.

FIRE.



Funds Exceed
110 Millions.

Claims paid
170 Millions.

which will compare favourably with that of any of the old-established tariff offices. Such men of undoubted business capacity have not staked their reputation without a thorough examination of the position, and they must be satisfied that there is an opening for such a Company, and the public may be equally satisfied with such hands. Further, the Company has built up a good organisation, and has a staff of highly trained men of wide experience, who may be counted on to control the affairs of the Company in the same sound spirit which has won for English Insurance a world-wide reputation. Of course the name itself was not the least happy inspiration of the founders of the Company, and in appealing for business there is something in a name.

The Company undertakes all classes of business, and welcomes every inquiry. The person with any class of insurable risk may be certain of receiving without fear or favour, the best terms and conditions which his risk should reasonably carry. It is too early yet to ask for anything in the way of a balance-sheet; but the financial resources of the Company may be measured by its capital. No less than £589,396 was subscribed, and with £294,698 paid up, and an equal amount liable to be called up, if required, the insured may entertain no uncertainty as to the security behind his policy. The experiment is a bold one, and on that account alone should receive support; but the whole spirit of the Company shows that it intends to go further, and by giving the utmost value for money consistent with sound insurance principles, achieve success by sheer merit.

PRUDENTIAL ASSURANCE COMPANY, LIMITED.

THE history of this remarkable Company is now so well known that its reiteration in these columns would be superfluous. It will be enough to recall that it was founded in 1848, and to-day has an annual income of over twenty millions, funds of more than one hundred and five millions, and the largest number of

policy-holders of any life assurance institution in the world. In writing of the Prudential one becomes accustomed to dealing in enormous sums, and it elicits small surprise to find that the amount paid in claims exceeds the figure of one hundred and sixty-five million pounds. Turning to the Seventy-first Annual Report for the year ended 31st December, 1919, we find that the number of policies issued in the Ordinary Branch was 138,037, assuring the sum of £22,319,642, and producing a now annual premium income of £1,639,762. The premiums received were £7,627,547, being an increase of £856,708 over the year 1918. Claims amounted to £5,267,396, of which £175,882 was in respect of War Claims. The number of deaths was 12,829, and the number of endowment assurances matured 33,367, the annual premium income of which was £174,225. In the Industrial Branch the premiums received were £11,155,874, being an increase of £1,419,471. The claims for the year amounted to £3,997,138, of which £321,178 was in respect of 19,562 War Claims. The total number of claims and surrenders, including 36,260 endowment assurances matured, was 405,709. War Claims of the year in both branches totalled £497,060, and the amount paid up to the present on this account since the outbreak of war exceeds £5,300,000, in respect of 249,000 claims.

In March, 1919, the Company extended its operations to the Transaction of Fire, Accident, and other classes of insurance business, and policies have also been issued covering loss from Fire, Accident, Employers' Liability, Burglary, Plate Glass, Motor, Third Party, Lift, and other risks.

The assets of the Company, in all branches, at the end of last year, after writing down book values and deduction of the balance owing in respect of the advance from its bankers for purchase of War Loan, shows an increase over 1918 of no less than £5,112,474.

BANCO NACIONAL ULTRAMARINO

(NATIONAL OVERSEAS BANKS)

STATE BANK OF THE PORTUGUESE COLONIES.

Head Office: LISBON

Established 1864.

Branches in Portugal, Portuguese East and West Africa, India, China, Timor, Belgian Congo and Brazil.

Agents and Correspondents throughout the World.

Capital (paid up)

Esc. 24,000,000 = £5,328,000.

At par of Exchange.



Reserve Funds,

Esc. 24,900,000 = £5,527,800.

At par of Exchange.

BY REASON OF THE BANK'S NUMEROUS BRANCHES AND ITS EXTENSIVE RELATIONS THROUGHOUT THE WORLD the

Foreign Exchange and Bills for Collection Department
Documentary Credit and Merchandise
Insurance
Commercial Intelligence
Stock and Coupons

is in a position to render most efficient service to Banks and Merchants.

FRANCE.
PARIS,

8, Rue de Halder, IX.

LONDON OFFICE:
27b, THROGMORTON ST., E.C.2.

Phone: LONDON WALL 295 Telegrams: "ULTRAMACIO, STOCK, LONDON."

UNITED STATES OF AMERICA.
NEW YORK AGENCY,
91/93, Liberty Street.

CORRESPONDENCE CONDUCTED IN THE PRINCIPAL LANGUAGES.

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